

NSC BRIEFING

28 May 1958

ITALY

- I. Returns show slight gain for center and left and decline of extreme right.
 - A. On the left, the Nenni Socialists gained slightly vis-a-vis the Commies.
- II. Important result is that CD's cannot form majority government on one hand to the moderate right (Liberals, Republicans, Radicals), or on other hand with Democratic Socialists of moderate left.
- III. Democratic Socialists ^{may} almost ~~certain~~ to refuse collaboration in government until after attempts at reunification with Nenni, possibly a lengthy process.
 - A. Democratic Socialists will interpret increased vote, following years of decline in national elections, as stemming partly from a year's disassociation from CD government.
 - B. Increased vote for both Socialist parties will be interpreted by them as popular mandate for reunification.
 - C. Prior to elections Democratic Socialist chief Saragat said he would not consider entering government until reunification attempts had been made.
 1. Saragat called for post-election party congress to discuss problem. Nenni did the same.
- IV. Christian Democrats thus faced with forming unpopular, minority, single-party government or moving too far right for allies.

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- A. Thus, CDs might form single-party government depending on right or left support on particular issues. This might be under present premier Zoli or someone else other than Faafani, who wants to wait until he can form coalition with good majority.
 - B. CDs might form uneasy coalition with Liberals, Monarchists, neo-Fascists, all uncomfortable with each other and with CDs and all unpopular with Faafani's CD left-center wing.
 - C. Therefore, immediate prospect of government instability or "immobility" until Socialist reunification issue is settled.
- V. Most crucial post-election issue appears to be whether Nenni Socialists can now be weaned away from Commies and into democratic socialist group which would give Christian Democratic government strong majority support.
- A. If Socialist reunification fails, Nenni Socialists will probably be driven back into alliance with Commies.
 - B. Nenni will interpret his electoral gains as reflecting popular approval of his increasing independence from Commies, including rejection of Commie demand for resumption of unity of action post.
 - 1. This independence sparked bitter campaign arguments between two parties with some Commies charging that "a vote for Nenni is a vote lost to the workers."
 - C. On balance, despite serious problems, we feel that election has improved chances of socialist reunification.